

Brokers say crisis sobers up property market

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The financial turmoil has affected the Bulgarian property market positively in protecting it from saturation and even a bubble, experts and consultants have said.

The crisis has impacted both housing and business projects and driven scores of investors out of Bulgaria's densely overbuilt mountain and seaside resorts.

The retail centre segment is also braced up for a cool-off, and only a handful of the shopping centres set to mushroom all across the country will be completed, according to property experts.

"The situation is on the whole healthy rather than alarming. This means that it is only projects with solid investor capacity, a good concept and a long-term strategy that will be realised," Colliers International co-manager David Davidov said.

Forton International's Sergei Koinov said the financial crisis has penetrated all property segments, including offices, where projects set to sprawl on 1.5 million sq m in the coming months and years will meet tepid demand.

"And yet I think the global financial crisis spread to Bulgaria just in time to sober up the real estate market and help it avert the property bubble we have seen in Ireland, Russia, Romania, Kazakhstan and Latvia," Mihail Chobanov of Bulgarian Properties said.